

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Illinois Hand & Upper Extremity Center		
Street Address: 515 West Algonquin Road		
City and Zip Code: Arlington Heights, IL 60005		
County: Cook	Health Service Area: 7	Health Planning Area:

Legislators

State Senator Name: Laura M. Murphy
State Representative Name: Martin J. Moylan

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Illinois Hand & Upper Extremity Center, L.L.C.
Street Address: 515 West Algonquin Road
City and Zip Code: Arlington Heights, IL 60005
Name of Registered Agent: Richard B. Weil
Registered Agent Street Address: 3000 Dundee Road, Ste. 315
Registered Agent City and Zip Code: Northbrook, IL 60062
Name of Chief Executive Officer: Michael I. Vender, M.D., Sole Manager
Manager's Street Address: 515 West Algonquin Road
Manager's City and Zip Code: Arlington Heights, IL 60005
Manager's Telephone Number: 847-956-0099

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none"> ○ Corporations and limited liability companies must provide an Illinois certificate of good standing. ○ Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner. 	
APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Kara M. Friedman
Title: Attorney
Company Name: Polsinelli PC
Address: 150 N. Riverside Plaza, Ste. 3000, Chicago, IL 60606
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com

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Legislators

State Senator Name: Laura M. Murphy
State Representative Name: Martin J. Moylan

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Trident VIII, L.P.
Street Address: c/o Stone Point Capital LLC 20 Horseneck Lane
City and Zip Code: Greenwich, CT 06830
Name of Registered Agent: Citco Trustees (Cayman) Limited
Registered Agent Street Address: 89 Nexus Way, 2nd Floor, Camana Bay, PO Box 31106
Registered Agent City and Zip Code: Grand Cayman KY1-1205, Cayman Islands
Name of Manager: Stone Point Capital LLC
Manager's Street Address: 20 Horseneck Lane
Manager's City and Zip Code: Greenwich, CT 06830
Manager's Telephone Number: 203-862-2900

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input checked="" type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- o Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

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Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com

Additional Contact [Person who is also authorized to discuss the Application]

Name: Donna Kersting
Title: Executive Director
Company Name: Illinois Hand & Upper Extremity Center, L.L.C.
Address: 515 West Algonquin Road, Arlington Heights, IL 60005
Telephone Number: 847-956-0099
E-mail Address: kersting@hsasc.com
Fax Number: N/A

Post Exemption Contact

[Person to receive all correspondence subsequent to exemption issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**]

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli PC
Address: 150 N. Riverside Plaza, Ste. 3000, Chicago, IL 60606
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number: N/A

Site Ownership after the Project is Complete

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: ALGO, L.L.C.
Address of Site Owner: 515 West Algonquin Road, Arlington Heights, IL 60005
Street Address or Legal Description of the Site: Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Current Operating Identity/Licensee

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Illinois Hand & Upper Extremity Center, L.L.C.
Address: 515 West Algonquin Road, Arlington Heights, IL 60005
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/>
<input type="checkbox"/> Other

Operating Identity/Licensee after the Project is Complete

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Illinois Hand & Upper Extremity Center, L.L.C.	
Address: 515 West Algonquin Road, Arlington Heights, IL 60005	
<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. 	
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.
APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Narrative Description

In the space below, provide a brief narrative description of the change of ownership. Explain **WHAT** is to be done in **State Board defined terms, NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site.

Pursuant to a Membership Interest Purchase Agreement, Trident VIII, L.P. ("Trident"), through a newly formed entity in which Trident has an indirect controlling interest, shall acquire 100% of the issued and outstanding membership interests in Illinois Hand & Upper Extremity Center, L.L.C. ("ASC"), a licensed ambulatory surgical treatment center specializing in orthopedic surgical services and located at 515 West Algonquin Road, Arlington Heights, Illinois 60005 (the "Planned Transaction"). In connection with the Planned Transaction, there will be no change in the entity that is the operator and licensee of ASC.

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Purchase Price:	\$ <u>N/A</u>	
Fair Market Value:	\$ <u>N/A</u>	

Project Status and Completion Schedules

Outstanding Permits: Does the facility have any projects for which the State Board issued a permit that is not complete? Yes No If yes, indicate the projects by project number and whether the project will be complete when the exemption that is the subject of this application is complete.

Anticipated exemption completion date (refer to Part 1130.570): December 31, 2020 or as soon thereafter as all closing conditions have been satisfied.

State Agency Submittals

Are the following submittals up to date as applicable:

- Cancer Registry - NOT APPLCABLE
- APORS - NOT APPLICABLE
- All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
- All reports regarding outstanding permits

Failure to be up to date with these requirements will result in the Application being deemed incomplete.

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 09/2019 Edition

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of **Illinois Hand & Upper Extremity Center, L.L.C.**

in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

Michael I. Vender, M.D.
SIGNATURE

MICHAEL I. VENDER, M.D.¹
PRINTED NAME

SOLE MANAGER
PRINTED TITLE

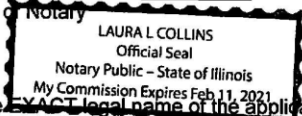
SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 12 day of NOVEMBER, 2020

Laura Collins
Signature of Notary

Seal 
*Insert the EXACT legal name of the applicant

Notarization:
Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Seal

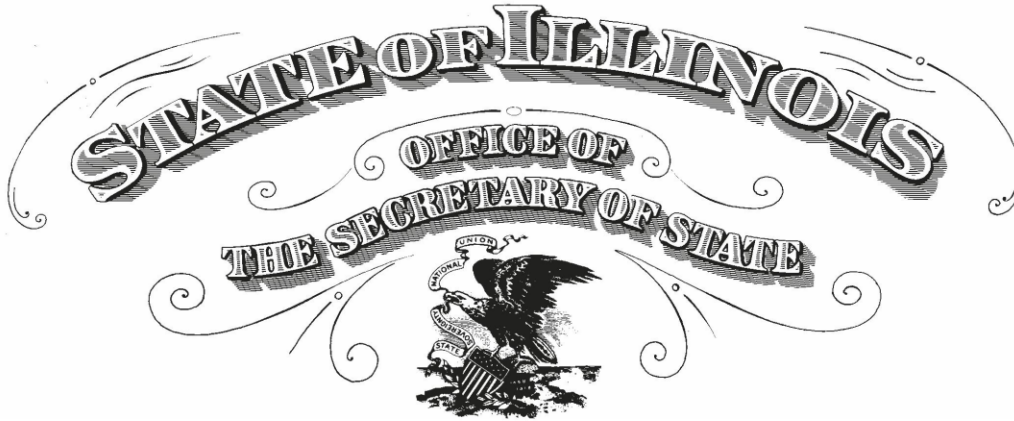
¹ No other person at this entity has control or authority to bind the entity, except for Michael Vender, sole manager.

ATTACHMENT 1
Good Standing Certificates

Attached hereto as Attachment 1 are Good Standing Certificates issued by the Illinois Secretary of State and the Cayman Islands Registrar of Partnerships for:

1. Illinois Hand & Upper Extremity Center, L.L.C. ("ASC") (operator and licensee).
2. Trident VIII, L.P. (post-closing indirect controlling owner of ASC).

File Number 0292857-4



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

ILLINOIS HAND & UPPER EXTREMITY CENTER, L.L.C., HAVING ORGANIZED IN THE STATE OF ILLINOIS ON FEBRUARY 05, 2010, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



Authentication #: 2029002134 verifiable until 10/16/2021
Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 16TH day of OCTOBER A.D. 2020 .

Jesse White

SECRETARY OF STATE

Attachment 1

CC-98766

Certificate of Good Standing of a Partnership

TO WHOM IT MAY CONCERN

I DO HEREBY CERTIFY that

Trident VIII, L.P.

a partnership duly organized and existing under and by virtue of the Laws of The Cayman Islands is at the date of this certificate in Good Standing with this office, and duly authorized to exercise therein all the powers vested in the partnership.

Given under my hand and Seal at George Town in the Island of Grand Cayman this 10th day of November Two Thousand Twenty



**An Authorised Officer
Registrar of Partnerships
Cayman Islands.**

Authorisation Code : 879571999538
www.verify.gov.ky
10 November 2020

Attachment 1

ATTACHMENT 2
Site Ownership

Illinois Hand & Upper Extremity Center, L.L.C. leases its location, 515 West Algonquin Road, Arlington Heights, Illinois, 60005, from ALGO, L.L.C., pursuant to that certain Office Lease Agreement and First Amendment by and between the above-mentioned parties, dated September 15, 2011. Copies of the Office Lease Agreement and First Amendment are attached at Attachment 2.

AMENDMENT TO OFFICE LEASE


This Amendment is made to that certain Office Lease dated as of the 15th day of September, 2011 by and between ALGO, L.L.C., an Illinois limited liability company (the "Lessor") and Illinois Hand & Upper Extreimity Center, L.L.C., an Illinois limited liability company (the "Lessee").

In Section 2 of the aforescribed Office Lease, the words and figures "twenty-four percent (24%)" are hereby amended to state "thirty percent (30%)".

The foregoing Amendment is effective as of the original date of the aforescribed Office Lease, i.e., September 15, 2011.

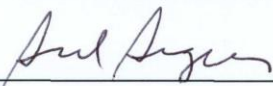
Lessor:

ALGO, L.L.C.

By: 

Lessee:

Illinois Hand & Upper Extreimity Center, L.L.C.

By: 

OFFICE LEASE

THIS OFFICE LEASE (hereinafter referred to as ("Lease")), is made and entered into as of the 15th day of September, 2011.

WITNESSETH:

ALGO, L.L.C., an Illinois Limited Liability Company (the "Lessor"), hereby leases to ILLINOIS HAND & UPPER EXTREMITY CENTER, L.L.C., an Illinois limited liability company (the "Lessee") Seven Thousand Six Hundred Eighty (7,680) rentable square feet in the building commonly described as 515 West Algonquin Road, Arlington Heights, Illinois 60005 (Lessee's offices are hereinafter referred to as the "Premises" and the building in which the Premises are located is hereinafter referred to as the "Building") for a term (the "Term") commencing on the later of October 1, 2011 or the date upon which a final certificate of occupancy for the Premises is issued by the Village of Arlington Heights, Illinois, and ending on Sept 30, 2031, unless sooner terminated as provided herein, to be occupied and used by the Lessee for an ambulatory surgery treatment center and for activities incidental thereto. The date upon which the Term hereof terminates is herein referred to as the "Expiration Date." The Premises are described on Exhibit A attached hereto.

IN CONSIDERATION THEREOF, the parties hereto do hereby covenant and agree as follows:

1. BASE RENT. The Lessee shall pay to the Lessor at the office of Lessor or at such other place as the Lessor may designate, the monthly base rent (hereinafter referred to as "Base Rent") in an amount equal to [REDACTED] (\$ [REDACTED]). In addition, Lessee shall pay as additional rent its allocable share of the Operating Costs of the Building as provided in Section 2 hereof. Provided, however, that no Base Rent or Operating Costs will be payable by the Lessee for any period prior to January 1, 2012.

Base Rent shall be payable in monthly installments, each due in advance on the first day of each and every calendar month commencing on January 1, 2012 and thereafter continuing during the Term, prorated for any fractional month of the Term. The Base Rent and other sums and charges payable by the Lessee under this Lease are sometimes hereinafter referred to collectively as "Rent." Interest at the Default Rate (as hereinafter defined), shall be due on unpaid Rent from and after ten (10) days after the date such unpaid Rent is due until the unpaid Rent is paid. The Default Rate shall be three percentage points above the Prime Rate. The Prime Rate shall be the rate of interest then quoted as the prime rate in the *Wall Street Journal - Midwest Edition*.

2. OPERATING COSTS.

(a) During the Term, the Lessee shall pay as additional rent Lessee's allocable share of all Operating Costs of the Building (as hereinafter defined) for each

calendar year of the Term commencing with the year 2012. Lessee's allocable share is twenty-four percent (24%). Lessee's allocable share of Operating Costs attributable to its occupancy of the Premises during 2011 is estimated by Lessor as [REDACTED] per month and such amount will be payable by the Lessee in addition to Base Rent until such time as Lessee's required monthly deposits toward Operating Costs are adjusted as hereinafter provided. During each calendar year of the Term (prorated for partial calendar years), monthly payments of Operating Costs required to be paid by the Lessee will be adjusted based upon actual Operating Costs incurred by the Lessor for the Building for the prior calendar year and such other factors as the Lessor determines. The Lessor shall take into account any overage or deficiency between actual Operating Costs and amounts paid by the Lessee as estimated Operating Costs through the date of such adjustment of Operating Cost payments due from the Lessee. Lessor will, as soon as practicable following the close of each such calendar year, provide the Lessee with a statement showing actual Operating Costs for the prior year, Lessee's allocable share thereof, any deficiency owed by Lessee together with a request for payment of such deficiency, or any credit due Lessee as a result of overpayment and Lessor's adjustment to Operating Costs deposits payable monthly by the Lessee thereafter. As soon as practicable following termination of the Lease, the Lessor will provide a final statement to the Lessee calculating any overage or deficiency of additional rent due from or to the Lessor as a result of Operating Costs. If such final statement shows that the Lessee is due a refund, then the Lessor shall pay such refund to the Lessee within thirty (30) days after it delivers its final statement to the Lessee. If such final statement shows that the Lessor is owed Additional Rent by the Lessee, the Lessee shall be required to pay such amount within thirty (30) days after its receipt of such final statement. If either party fails to timely pay the amount due to the other party when due, then interest will accrue on such unpaid amount at the Default Rate specified in Section 1 of this Lease until paid.

(b) For purposes of this Lease, the term "Operating Costs" shall mean any and all reasonable expenses, costs and disbursements of every kind which are incurred in connection with the operation, management, repair and maintenance of the Building. All Operating Costs shall be determined according to generally recognized accounting principles that apply to net leases of commercial office space buildings in the Chicago metropolitan area consistently applied. Operating Costs include, but are not limited to, the following:

(i) The cost of all service agreements for maintenance, access control, alarm service, roof maintenance, air conditioning, heating and ventilating systems maintenance, window cleaning, snow removal, parking lot maintenance and landscaping for the Building.

(ii) The cost of all public utilities servicing the Building.

(iii) The costs of all insurance, including casualty and liability insurance applicable to the Building and to the Lessor's equipment, fixtures and personal property used in connection therewith; business interruption or rent insurance against such perils as are commonly insured against by

prudent landlords; such other insurance as may be required by any lessor or mortgagee of the Lessor; and such other insurance which the Lessor considers reasonably necessary in the operation of the Building.

(iv) All Taxes. For purposes hereof, the term "Taxes" shall mean all taxes, assessments, and other governmental charges, applicable to or assessed against the Building or any portion thereof, or applicable to or assessed against the Lessor's personal property used in connection therewith, whether federal, state, county, or municipal and whether assessed by taxing districts or authorities presently taxing the Building or the operation thereof or by other taxing authorities subsequently created, or otherwise, and any other taxes and assessments attributable to or assessed against all or any part of the Building or its operation; including any reasonable expenses, including fees and disbursements of attorneys, tax consultants, arbitrators, appraisers, experts and other witnesses, incurred by the Lessor in contesting any taxes or the assessed valuation of all or any part of the Building. If at any time during the Term there shall be levied, assessed, or imposed on the Lessor or all or any part of the Building by any governmental entity, any general or special ad valorem or other charge which is measured by or based, in whole or in part upon such rents, or if any fee, tax, assessment, or other charge is imposed which is measured by or based, in whole or in part upon such rents, or if any charge or tax is made based directly or indirectly upon the transactions represented by leases or the occupancy or use of the Building or any portion thereof, such taxes, fees, assessments or other charges shall be deemed to be Taxes; provided, however, that there shall be excluded from Taxes (i) any franchise, income, replacement or net profits tax, unless substituted for real estate taxes or imposed as additional charges in connection with the ownership of the Building, which may be assessed against the Lessor or the Building or both, (ii) transfer taxes assessed against the Lessor or the Building or both, (iii) penalties or interest on any late payments of the Lessor, and (iv) personal property taxes of the Lessee. If any or all of the Taxes paid hereunder are by law permitted to be paid in installments, notwithstanding how the Lessor pays the same, then, for purposes of calculating Operating Costs, such Taxes shall be deemed to have been divided and paid in the maximum number of installments permitted by law, and there shall be included in Operating Costs for each year only such installments as are required by law to be paid within such year, together with interest thereon and on future such installments as provided by law.

(v) Legal and accounting costs incurred by the Lessor or paid by the Lessor to third parties or any agent or manager of Lessor (exclusive of legal fees with respect to the ownership rather than the operation of the Building), appraisal fees (other than for the sale or refinancing of the Building), consulting fees, all other professional fees and disbursements.

(vi) The cost of non-capitalized repairs and general maintenance for the Building (excluding repairs and general maintenance paid by proceeds of insurance or by the Lessee or any other occupant of the Building).

(vii) Depreciation and amortization of the cost of improvements or equipment which are capital in nature and which (i) are for the purpose of reducing Operating Costs for the Building, up to the amount saved as a result of the installation thereof, as reasonably estimated by the Lessor, or (ii) enhance the Building for the general benefit of tenants or occupants thereof, or (iii) are required by any governmental authority; or (iv) replace any equipment needed to operate the Building at the same quality levels as prior to the replacement. All such costs, including interest, shall be depreciated or amortized on a straight-line basis over the useful life of the capital investment items, as reasonably determined by the Lessor, but in no event beyond the reasonable useful life of the Building.

(c) "Operating Costs" shall not include (a) specific costs for any capital repairs, replacements or improvements, except as provided above; (b) expenses for which the Lessor is reimbursed or indemnified (either by an insurer, condemner, tenant, warrantor or otherwise) to the extent of funds received by the Lessor; (c) interest or amortization payments on any mortgages; (d) costs representing an amount paid to an affiliate of Lessor which is in excess of the amount which would have been paid in the absence of such relationship; and (e) costs arising out of the negligence or misconduct of the Lessor, its agents, employees or contractors.

3. SERVICES. During the Term hereof, the Lessor shall provide:

(a) Heat or air conditioning as shall, in the Lessor's reasonable judgment, be required for the comfortable occupation and use of the Building.

(b) All utility services as provided to the Building by applicable providers.

The Lessor does not warrant that any of the services above mentioned will be free from interruptions caused by war, insurrection, civil commotion, riots, acts of nature or the enemy or government action, repairs, renewals, improvements, alterations, strikes, lockouts, picketing, whether legal or illegal, accidents, inability of Lessor to obtain fuel or supplies, or any other cause or causes beyond the reasonable control of the Lessor. Any such interruption of service shall never be deemed an eviction or disturbance of the Lessee's use and possession of the Premises or any part thereof, or render the Lessor liable to the Lessee for damages, or relieve the Lessee from the performance of the Lessee's obligations under this Lease, unless such interruption continues in excess of thirty (30) consecutive days and prevents the Lessee from utilizing the Premises for the Lessee's intended use; in such event the Rent due hereunder shall abate from and after said thirtieth (30th) day until such time as the services are restored. Provided, further, in the event that any interruptions are total, such that the Lessee cannot operate its business in the

Premises, and shall continue for a consecutive period of ninety (90) days due to Lessor's failure to restore the same, the Lessee shall have the right to terminate this Lease.

4. LESSOR'S TITLE. The Lessor's title to the Building is and always shall be paramount to the interest of the Lessee in the Premises, and nothing herein contained shall empower the Lessee to do any act which can, shall or may encumber the title of the Lessor.

5. CERTAIN RIGHTS RESERVED TO THE LESSOR. The Lessor reserves the following rights: (a) to change the name or street address of the Building without notice or liability of the Lessor to the Lessee; (b) to install and maintain a sign or signs on the exterior of the Building and on any monument or ground sign; (c) to have access for the Lessor and the other occupants of the Building to any mail chutes located in the Building according to the rules of the United States Post Office; (d) to designate all sources for furnishing sign painting and lettering on any exterior surfaces of the Building or those within the Building which can be seen from outside the Building; (e) during the last one hundred eighty (180) days of the Term or any part thereof, if during or prior to that time the Lessee vacates the Premises, to decorate, remodel, repair, alter or otherwise prepare the Premises or any part thereof for re-occupancy; (f) to constantly have pass keys to the Premises; (g) to grant to anyone the exclusive right to conduct any particular business or undertaking in the Building; (h) to exhibit the Premises to others and to display "For Rent" signs on the exterior of the Building or the Premises during the last one hundred eighty (180) days of the Term; (i) to take any and all measures, including inspections, repairs, alterations, additions and improvements to the Building, as may be necessary or desirable for the safety, protection or preservation of the Building or the Lessor's interests, or as the Lessor may deem necessary in the operation of the Building. The Lessor shall at all times when proceeding hereunder, use its best efforts not to unreasonably interfere with the Lessee's business operations.

6. LESSEE'S SIGNAGE. The Lessor hereby agrees that the Lessee shall, during the period the Lessee remains in occupancy of the Premises under this Lease, have the right to maintain, on any monument (or ground) sign servicing the Building a sign identifying the Lessee as a tenant of the Building, said sign to be subject to the reasonable prior approval of the Lessor and shall be in conformance with all criteria therefore established by the Village of Arlington Heights.

The Lessee shall, prior to ordering the sign's manufacture, submit renderings for the Lessor's approval.

In no event shall the Lessor remove the Lessee's sign during the Lease Term (or any renewal thereof) so long as the Lessee remains a tenant of the Building and is not in violation of this Lease.

The Lessee shall be liable for the costs of the removal of such signage upon termination of this Lease by lapse of time or otherwise and repair all damage caused by such removal.

7. WAIVER OF CLAIMS. Except for claims or damages arising out of the negligence or willful misconduct of Lessor, its employees, agents or contractors, to the fullest extent permitted by law, the Lessee releases the Lessor and the Lessor's agents, employees and servants from, and waives all claims for, damage to person or property sustained by the Lessee or any occupant of the Building resulting from the Building or any part thereof or any equipment or appurtenance becoming out of repair, or resulting from any accident in or about the Building, or resulting directly or indirectly from any act or neglect of any lessee or occupant of the Building or of any other person. This Section 7 shall apply especially, but not exclusively, to damage caused by flooding, refrigerators, sprinkling devices, air conditioning apparatus, water, snow, frost, steam, excessive heat or cold, falling plaster, broken glass, sewage, gas, odors or noise, or the bursting or leaking of pipes or plumbing fixtures, and shall apply equally whether any such damage results from the act of neglect of the Lessor or other occupants or servants in the Building or of any other person, and whether such damage be caused or result from any thing or circumstance above mentioned or referred to, or any other thing or circumstance whether of a like nature or of a wholly different nature. Except as otherwise provided herein, if any such damage, whether to the Building or any part thereof, or whether to the Lessor or to other occupants in the Building, results from any act or neglect of the Lessee, the Lessor may, at the Lessor's option, repair such damage and the Lessee shall, upon demand by the Lessor, reimburse the Lessor forthwith for the total cost of such repairs. The Lessee's failure to pay any such reimbursement upon demand shall entitle the Lessor to interest at the Default Rate from the date of demand until paid. All property belonging to the Lessee or any occupant shall be there at the risk of the Lessee or other person only, and the Lessor shall not be liable for damage thereto or theft or misappropriation thereof.

The Lessor and the Lessor's agents, employees and servants shall not be liable in damages to the Lessee for any direct or consequential injury sustained by any person or property of the Lessee, or that of the Lessee's employees, agents or invitees, occasioned in whole or in part by war, insurrection, civil commotion, riots, acts of nature or the enemy or government action, repairs, renewals, improvements, alterations, strikes, lockouts, picketing, whether legal or illegal, accidents, inability of the Lessor to obtain fuel or supplies, planned or intentional action by any person resulting in fire, explosion or panic, or any other cause or causes beyond the reasonable control of the Lessor. The waiver of claims provided herein may not be utilized by any insurer by way of subrogation.

8. HOLDING OVER. If the Lessee retains possession of the Premises or any part thereof after the expiration of the Term by lapse of time or otherwise, then, at the election of the Lessor, the Lessee shall pay the Lessor Rent at a rate double the rate of Base Rent specified in Section 1 hereof as of the period immediately preceding the commencement of the hold-over period plus Operating Costs of the Building as described in Section 2 hereof for the time the Lessee thus remains in possession, and in addition thereto, shall pay the Lessor all actual and direct damages sustained by reason of the Lessee's retention of possession. The provisions of this Section do not waive the Lessor's rights of reentry or any other right hereunder.

9. SUBLETTING. The Lessee may not without Lessor's written consent, which consent may not be unreasonably withheld; (a) sublet any part of the Premises; or (b) permit the use or occupancy of any part of the Premises by any other business entity. In no event shall this Lease or Lessee's interest hereunder be assigned absent Lessor's written consent and any attempt to do so shall be null and void and of no force or effect.

10. CONDITION OF PREMISES

(a) It is understood and agreed between the Lessor and Lessee that the Premises are being delivered by the Lessor to the Lessee in "as is" condition. No promise of the Lessor to alter, remodel or improve the Premises and no representation respecting the condition of the Premises have been made by the Lessor to the Lessee, unless the same is contained herein, or made a part hereof.

The Lessee shall remove the Lessee's furniture, machinery, safe or safes, trade fixtures and other items of personal property of every kind and description from the Premises prior to the end of the Term, however ended. If not so removed, the Lessor may request their removal, and if the Lessee does not remove them prior to the end of the Term, the Lessor may do so and the Lessee shall pay the cost of such removal to the Lessor upon demand. If the Lessor does not request their removal, all such items shall be conclusively presumed to have been conveyed by the Lessee to the Lessor under this Lease as a bill of sale without further payment or credit by the Lessor to the Lessee.

In no event shall the Lessee assign, lien, encumber, grant a chattel mortgage or create a security interest in leasehold improvements which have been incorporated into the Premises, including but not limited to, affixed lighting fixtures, heating, ventilating and air conditioning equipment.

11. ALTERATIONS. The Lessee shall not make any alterations in or additions to the Building without the Lessor's advance written consent in each and every instance, not to be unreasonably withheld or delayed. All alterations or additions shall be made pursuant to the following conditions:

(a) Before commencement of any work or delivery of any materials onto or into the Premises, the Lessee shall furnish the Lessor with plans and specifications, names and addresses of contractors, copies of contracts, necessary permits and indemnification in form, substance and amount satisfactory to the Lessor and waivers of lien against any and all claims, costs, damages, liabilities and expenses which may arise in connection with the alterations or additions, together with certificates of insurance from all contractors performing labor or furnishing materials insuring the Lessor against any and all liabilities which may arise out of or be connected in any way with said additions or alterations. In addition, the Lessee shall provide an "All Physical Loss" Builders Risk insurance policy with respect to all alterations and additions in an amount equal to 100% of the replacement cost of the alterations and additions. The Lessor shall be named an insured as its interest may appear. Whether the Lessee furnishes the Lessor with the foregoing or not, the Lessee hereby agrees to defend, indemnify and hold the Lessor harmless from and against any

and all liabilities of every kind and description which may arise out of or be connected in any way with said alterations or additions.

(b) Alterations and additions shall comply with all insurance requirements and with all ordinances and regulations of the Village of Arlington Heights or any department or agency thereof and with the requirements and statues and regulations of the State of Illinois or of any department or agency thereof, and shall be installed in a good, workmanlike manner and only new, high-grade materials shall be used. The Lessee shall permit the Lessor to supervise construction operations in connection with alterations or additions if the Lessor requests to do so.

(c) The Lessee shall pay all the costs of such alterations and additions plus a reasonable amount to the Lessor for the Lessor's overhead with respect to supervision necessary to satisfy the Lessor that no damage will result to the Building. Such charge shall not, however, relieve the Lessee of any responsibility or liability for any such damage. The Lessee shall also pay the cost of decorating occasioned by such alterations and additions. Each payment upon said costs shall be only upon receipt of all such contractor's and subcontractor's sworn statements, full or partial waivers of lien, certificates and other documentation, if any, as Lessor or any title insurance company shall request in order to fully protect the Building against all possible claims in the nature of mechanic's liens arising out of the performance of said work and to enable said title insurance company to insure the title to the Building against such claims. Without limitation of the foregoing, upon completing any alterations or additions, the Lessee shall furnish the Lessor with contractors' affidavits and full and final waivers of lien and receipted bills covering all labor and materials expended and used, together with all such other documentation described above as the Lessor shall require.

(d) Except as hereinafter provided, all alterations, additions, hardware, non-trade fixtures and all improvements, temporary or permanent, in or upon the Premises, including all affixed lighting fixtures, heating, ventilating and air conditioning equipment, and all pipes, ducts, conduits, wiring, paneling, partitions, railing, galleries and the like whether placed there by the Lessee or by the Lessor, shall, unless the Lessor requests their removal, become the Lessor's property and shall remain in the Premises at the termination of this Lease by lapse of time or otherwise without compensation or allowance or credit to the Lessee. If, upon the Lessor's request, the Lessee does not remove said additions, hardware, non-trade fixtures and improvements, the Lessor may remove the same and the Lessee shall pay the cost of such removal to the Lessor upon demand. In any event, the Lessee shall repair or pay on demand all costs of repair of any damage to the Premises done during the course of such removal.

12. USE OF PREMISES. (a) The Lessee will not make or permit to be made any use of the Premises which, directly or indirectly, is forbidden by public law, ordinance or governmental regulation or which may be dangerous to life, limb, or property, or which may invalidate or increase the premium cost of any policy of insurance carried on the Building or covering its operation. (b) Except as otherwise permitted herein, the Lessee shall not display, inscribe, print, paint, maintain or affix on any place in or about the Premises or the

Building any sign, notice, legend, direction figure or advertisement, except on or next to the doors of the Building, the entry doors to Lessee's Premises, and on the Building directory boards, and then only name or names and matter, and in such color size, style, place and material, as shall first have been approved by the Lessor in writing. (c) The Lessee shall not advertise the business, profession, or activities of the Lessee conducted in the Building in any manner which violates the letter or spirit of any code of ethics adopted by any recognized association or organization pertaining to such business, profession or activities, and shall not use the name of the Building for any purpose other than that of business address of the Lessee. (d) The Lessee shall not block passages or means of ingress and egress, or the sidewalks, entrances, passages, courts, corridors, vestibules, halls, elevators and stairways of the Building. (e) No bicycle or other vehicle and no dog (except seeing eye dogs) or other animal or bird shall be brought or permitted to be in the Building or any part thereof. (f) The Lessee shall not install any noise generating device which can be heard outside of the Building, or any antennae, aerial wires or other equipment inside or outside the Building, without, in each and every instance, the prior approval in writing by the Lessor; the use thereof, if permitted, shall be subject to control by the Lessor to the end that others shall not be disturbed or annoyed. (g) The Lessee shall not place or permit to be placed any article of any kind on the window ledges or on the exterior walls, and shall not throw or permit to be thrown or dropped any article from any window of the Building. (h) Upon termination of this Lease or of the Lessee's possession, the Lessee shall surrender all keys to the Building and the Premises and shall make known to the Lessor the combinations for any and all locks on safes, cabinets and vaults. (i) The Lessee shall be responsible for the locking of doors and the closing of transoms and windows in and to the Building. (j) In addition to all other liabilities for breach of any covenant of this Section 12, the Lessee shall pay to the Lessor all damages caused by such breach and shall also pay to the Lessor an amount equal to any increase in insurance premium or premiums caused by such breach. The violation of any covenant of this Section 12 may be restrained by injunction.

13. REPAIRS. Except as may otherwise be provided in this Lease, the Lessee shall, at the Lessee's own expense, keep the Premises in good condition and repair during the Term, including the replacement of all broken glass with glass of the same size and quality, under the supervision and with the approval of the Lessor. If the Lessee does not make repairs promptly and adequately, the Lessor may, but need not, make repairs, and the Lessee shall pay promptly the cost thereof. At any time or times, the Lessor, either voluntarily or pursuant to governmental requirement, may, at the Lessor's own expense, make repairs, alterations or improvements in or to the Building or any part thereof, and, during business operations, may close entrances, doors, corridors, elevators or other facilities, all without any liability to the Lessee by reason of interference, inconvenience or annoyance. The Lessor shall not be liable to the Lessee for any expense, injury, loss or damage resulting from work done in or upon, or the use of, any adjacent or nearby building, land, street or alley. The Lessee shall pay the Lessor for overtime and for any other direct and actual expense incurred in event repairs, alterations, decorating or other work in the Building are not made during ordinary business hours at the Lessee's request.

14. UNFITNESS. If the Premises are made unfit by Lessee by reason of fire or other casualty, the Lessor may elect to terminate this Lease as of the date of the fire or casualty by notice to the Lessee within one hundred eighty (180) days after the date of Lessor's receipt of the insurance proceeds therefore. In the event that the Lessor does not terminate this Lease, the Lessor shall repair, restore or rehabilitate the Premises at the Lessor's expense within one hundred eighty (180) days after the date of Lessor's receipt of the insurance proceeds therefore in which latter event this Lease shall not terminate but Rent shall be abated on a per diem basis while the Premises remain unfit. If the Lessor elects so to repair, restore or rehabilitate the Premises and does not substantially complete the work within the one hundred eighty (180) day period, either party can terminate this Lease as of the date of the fire or casualty by notice to the other party not later than one hundred eighty (180) days after the Lessor is enabled to take possession of the Premises and undertake reconstruction or repairs. In the event of termination of the Lease pursuant to this Section 14, Rent shall be apportioned on a per diem basis and be paid to the date of the fire or casualty.

15. EMINENT DOMAIN. If the Building or any portion thereof, shall be taken or condemned by any competent authority for any public use or purpose, the Term of this Lease shall end upon, and not before, the date when the possession of the portion so taken shall be required for such use or purpose, and without apportionment of the condemnation award. The Lessee shall have no right to share in such award. Current Rent shall be apportioned as of the date of such termination. If any condemnation proceeding shall be instituted in which it is sought to take or damage any part of the Building, or the land under it, or if the grade of any street or alley adjacent to the Building is changed by any competent authority and such change of grade makes it necessary to remodel the Building to conform to the changed grade, the Lessor shall have the right to cancel this Lease upon not less than ninety (90) days' notice prior to the date of cancellation designated in the notice. No money or other consideration shall be payable by the Lessor to the Lessee for the right of cancellation and the Lessee shall have no right to share in the condemnation award or in the judgment for damages caused by the change of grade.

16. LESSOR'S REMEDIES. All rights and remedies of the Lessor herein enumerated shall be cumulative, and none shall exclude any other right or remedy allowed by law.

(a) If any voluntary or involuntary petition or similar pleading under any section or sections of any bankruptcy act shall be filed by or against the Lessee, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare the Lessee insolvent or unable to pay the Lessee's debts, and in the case of an involuntary petition or proceeding, the petition or proceeding is not dismissed within thirty (30) days from the date it is filed, the Lessor may elect, but is not required, and with or without notice of such election, and with or without such entry or other action by the Lessor, to forthwith terminate this Lease, and, notwithstanding any other provision of this Lease, the Lessor shall forthwith upon such termination be entitled to recover damages in an amount equal to the then present value (the interest rate utilized for this purpose shall be nine percent (9%) simple, per annum or fraction thereof) of the Rent specified in Sections 1 and 2 of this Lease for the residue of the stated Term hereof.

(b) If the Lessee defaults in the payment of Rent, and the Lessee does not cure the default within ten (10) days after receipt of written demand for payment of such Rent, or if the Lessee defaults in the prompt and full performance of any other provision of this Lease, and the Lessee does not cure the default within thirty (30) days after receipt of written demand by the Lessor that the default be cured, provided that if more than thirty (30) days may reasonably be required to cure such default, then Lessee shall not be deemed in default if Lessee has commenced to cure such condition within such thirty (30) day period and thereafter diligently prosecutes such cure to completion, unless the default involves a hazardous condition, which shall be cured forthwith upon the Lessor's demand, or if the leasehold interest of the Lessee be levied upon under execution or be attached by process of law, or if the Lessee makes an assignment for the benefit of creditors, or if a receiver shall be appointed for any property of the Lessee, or if the Lessee abandons the Premises, then and in any of such event the Lessor may, if the Lessor so elects, but not otherwise, and with or without notice of such election and with or without any demand whatsoever, either forthwith terminate this Lease and the Lessee's right to possession of the Premises or, without terminating this Lease, forthwith terminate the Lessee's right to possession of the Premises.

(c) Upon any termination of this Lease, whether by lapse of time or otherwise, or upon termination of the Lessee's right to possession without termination of this Lease, the Lessee shall surrender possession and vacate the Premises immediately, and deliver possession thereof to the Lessor, and Lessee hereby grants to the Lessor full and free license to enter into and upon the Premises in such event with or without process of law and to repossess the Premises and to expel or remove the Lessee and any others who may be occupying or within the Premises and to remove any and all property therefrom, using such force as may be necessary and is permitted by applicable law, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer and without relinquishing the Lessor's rights to Rent or any other right given to the Lessor hereunder or by operation of law.

(d) If the Lessee abandons the Premises or otherwise entitles the Lessor to so elect, to Terminate this Lease, and the Lessor does elects to terminate the Lessee's right to possession only, without terminating this Lease, the Lessor may, at the Lessor's option enter into the Building, remove the Lessee's signs and other evidences of tenancy, and take and hold possession thereof as in this Section 16 provided, without such entry and possession terminating this Lease or releasing the Lessee, in whole or in part, from the Lessee's obligation to pay the Rent hereunder for the full Term, and in any such case the Lessee shall pay forthwith to the Lessor, if the Lessor so elects, a sum equal to the then present value (the interest rate utilized for this purpose shall be nine percent (9%) simple, per annum, or fraction thereof) of the entire amount of the Rent specified in Sections 1 and 2 of this Lease for the residue of the stated Term plus any other sums then due hereunder. Upon and after entry into possession without termination of this Lease, the Lessor may, but need not relet the Premises or any part thereof for the account of the Lessee to any person, firm or corporation other than the Lessee for such Rent, for such time and upon such terms as the Lessor, in the Lessor's sole discretion, shall determine, and the Lessor shall not be required to accept any tenant offered by the Lessee or to observe any

instructions given by the Lessee about such reletting. In any case, the Lessor may make repairs, alterations and additions in or to the Premises, and redecorate the same to the extent deemed by the Lessor necessary or desirable, and the Lessee shall, upon demand, pay the cost thereof, together with the Lessor's reasonable expenses of the reletting. If the consideration collected by the Lessor upon any such reletting, for the Lessee's account, is not sufficient to pay monthly the full amount of the Rent reserved in this Lease, together with the costs of repairs, alterations, additions, redecorating and the Lessor's expenses, the Lessee shall pay to the Lessor the amount of each monthly deficiency upon demand; and if the consideration so collected from any such reletting is more than sufficient to pay the full amount of the Rent reserved herein, together with the costs and expenses of the Lessor, the Lessor, at the end of the stated Term of the Lease, shall account for the surplus to the Lessee.

(e) Any and all property which may be removed from the Building by the Lessor pursuant to the authority of this Lease or of law, to which the Lessee is or may be entitled, may be handled, removed or stored by the Lessor at the risk, cost and expense of the Lessee, and the Lessor and its agents and employees shall in no event be responsible for the value, preservation or safekeeping thereof. The Lessee shall pay to the Lessor, upon demand, any and all expenses incurred in such removal and all storage charges against such property so long as the same shall be in the Lessor's possession or under the Lessor's control. Any such property of the Lessee not removed from the Premises or retaken from storage by the Lessee within thirty (30) days after the end of the Term, however terminated, shall be presumed to have been conveyed by the Lessee to the Lessor under this Lease as a bill of sale without further payment or credit by the Lessor to the Lessee.

(f) The Lessee shall pay upon demand all the Lessor's costs, reasonable charges and expenses, including the fees of counsel, agents and others retained by the Lessor, incurred in enforcing the Lessee's obligations hereunder or incurred by the Lessor in any litigation, negotiation or transaction in which the Lessee causes the Lessor, without the Lessor's fault, to become involved or concerned.

17 **SUBORDINATION OF LEASE.** Without the necessity of any additional document being executed by the Lessee for the purpose of effecting a subordination, this Lease shall be subject and subordinate at all times to any ground or underlying leases and to the lien of any mortgages or deeds of trust now or hereafter placed on, against or affecting the Building, Lessor's Site (which shall mean the land on which the Building is situated and, where appropriate, the parking lot and sidewalks and landscaping from the boundaries of the land to the surrounding streets), the Lessor's interest or estate therein, or in any ground or underlying lease; provided, however, that if the mortgagee, trustee or holder of any such mortgage or deed of trust elects to have the Lessee's interest in this Lease be superior to any such instrument, then by notice to the Lessee, this Lease shall be deemed superior, whether this Lease was executed before or after said instrument. Notwithstanding the foregoing, the Lessee covenants and agrees to execute and deliver upon demand such further instruments evidencing such subordination or superiority of this Lease as may be reasonably required by the Lessor.

Subject to the provisions of this Lease, Lessor covenants that Lessee, on paying the Rent and performing the covenants of this Lease on its part to be performed, shall and may peaceably have, hold and quietly enjoy the Premises for the stated Term hereof and Lessee shall, in the event of the exercise of the power of sale under any mortgage made by the Lessor covering the Building, attorn to the purchaser upon any such foreclosure or sale and shall recognize such purchaser as lessor under this Lease.

18. EFFECT OF WAIVER. The failure of the Lessor to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions and agreements of this Lease, or to exercise any option herein conferred, shall not be considered as waiving or relinquishing for the future any such terms, covenants or conditions, agreements or options, but the same shall continue and remain in full force and effect; and the receipt of any Rent or any part thereof, whether the Rent be that specifically reserved or that which may become payable under any of the covenants herein contained, and whether the same be received from the Lessee or from any one claiming under or through it or otherwise shall not be deemed to operate as a waiver of the rights of the Lessor to enforce the payment of Rent or charges of any kind previously due or which may thereafter become due, or the right to terminate this Lease and to recover possession of the Premises by summary proceedings or otherwise reserved to the Lessor hereunder or which the Lessor may have at law, in equity or otherwise.

19. CONSTRUCTION OF LEASE. Should any of the provisions of this Lease require judicial interpretation, it is agreed that the court interpreting or construing the same shall not apply a presumption that the terms of any such provisions shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed most strictly against the party who itself or through its agent prepared the same, it being agreed that the agents of both parties have participated in the preparation of this Lease.

20. LESSEE'S INSURANCE.

(a) Lessee, at the Lessee's expense, agrees to maintain in force during the Term hereof:

(i) Comprehensive General Liability Insurance on an occurrence basis with minimum limits of liability in an amount of \$1,000,000 for bodily injury or death to any one person and \$500,000 with respect to damage to property, including water and sprinkler damage; and

(ii) Fire Insurance with extended coverage and vandalism and malicious mischief endorsements, in an amount adequate to cover the full replacement value of all leasehold improvements and wall and floor coverings in the Premises.

(b) Each policy referred to in this Section 20 shall be issued by one or more responsible insurance companies reasonably satisfactory to the Lessor and shall contain the following provisions and endorsements:

(i) that such insurance may not be canceled or amended without thirty (30) days prior written notice to the Lessor;

(ii) an express waiver of any right of subrogation by the insurance company against the Lessor and its agents and employees; and

(iii) that the policy shall not be invalidated should the insured waive in writing prior to a loss any or all rights of recovery against any other party for losses covered by such policies.

(c) The Lessee shall deliver to Lessor certificates of insurance for all insurance policies and renewals thereof to be maintained by the Lessee hereunder, provided, however, Lessee's failure to deliver said certificates to Lessor as required hereunder shall not constitute an event of default hereunder unless and until Lessee fails to do so for a period of ten (10) days from and after the date of Lessor's written demand therefore. Provided that the insurance policies of the Lessee will not be invalidated nor will the right of the insured to collect the proceeds payable under such policies be adversely affected by the waiver contained in the following portion of this sentence, the Lessee hereby expressly waives all rights of recovery which it might otherwise have against the Lessor and its agents and employees, for loss or damage to person, property or business to the extent that such loss or damage is covered by valid and collectible insurance policies. The Lessee shall use its best efforts to obtain from its insurer the right to waive claims as set forth in the preceding sentence without thereby invalidating its insurance or affecting its right to proceeds payable thereunder.

21. REAL ESTATE BROKERS. The Lessor and the Lessee each represent and warrant to each other that they have not dealt with any real estate broker, sales person or finder in connection with this Lease. Each party hereto hereby agrees to defend, indemnify and hold the other harmless from and against any and all liabilities and claims for commissions and fees arising out of a breach of the foregoing warranty and representation by the arranging and representing party.

22. GOVERNING LAW. This Lease and the terms and provisions hereof shall be construed in accordance with the laws of the State of Illinois.

23. SALE BY LESSOR. In the event of a sale or conveyance by the Lessor of the Building and the Lessor's Site, the same shall operate to release Lessor from any future liability upon any of the covenants or conditions, expressed or implied, herein contained in favor of the Lessee, and in such event the Lessee agrees to look solely to the responsibility of the successor in interest of the Lessor in and to this Lease. Except as set forth in this Section, this Lease shall not be affected by any such sale, and the Lessee agrees to attorn to the purchaser or assignee. If any security has been given by the Lessee to secure the faithful performance of any of the covenants of this Lease, the Lessor

may transfer or deliver said security to the Lessor's successor in interest and thereupon the Lessor shall be discharged from any further liability with regard to said security, provided that any successor shall not be liable for such security unless such successor receives the same.

24. ESTOPPEL CERTIFICATE. Within fifteen (15) days following Lessee's receipt of any written request which the Lessor may make from time to time, the Lessee shall execute and deliver to the Lessor or any prospective purchaser, lessor or mortgagee or prospective mortgagee a sworn statement certifying: (a) the date of commencement of the Lease; (b) the fact that this Lease is unmodified and in full force and effect (or, if there have been modifications hereto, that this Lease is in full force and effect, as modified, and stating the date and nature of such modifications), (c) the date to which the Rent and other sums payable under this Lease have been paid, (d) the fact that there are no current defaults under this Lease by either the Lessor or the Lessee, except as specified in the Lessee's statement, and (e) such other matters reasonably requested by the Lessor. The Lessor and the Lessee intend that any statement delivered pursuant to this Section may be relied upon by any mortgagee, beneficiary or purchaser and the Lessee shall be liable for all loss, cost or expense resulting from the failure of any sale or funding of any loan caused by any material misstatement by Lessee contained in such estoppel certificate. The Lessee hereby irrevocably appoints the Lessor, as its attorney-in-fact for this purpose, with full power and authority to execute and deliver the same after such fifteen (15) day period and such certificate as signed by the Lessor, or the Lessor's agent, as the case may be, shall be fully binding on the Lessee, if the Lessee fails to deliver a contrary certificate within five (5) days after receipt by the Lessee of a copy of the certificate executed by the Lessor, or the Lessor's agent, as the case may be, on behalf of the Lessee. This Section shall also be binding on any permitted subtenant of the Lessee.

25. UNAVOIDABLE DELAYS. The provisions of this Section shall be applicable if there shall occur, after the Rent commencement date, any strikes, lockouts for labor disputes, inability to obtain labor or materials or reasonable substitutes therefor or acts of nature, governmental restrictions, regulations or controls, enemy or hostile government action, civil commotion, fire or other casualty or other conditions similar or dissimilar to those enumerated in this Section beyond the reasonable control of the party obligated to perform. If the Lessor or the Lessee shall, as a result of any of the above mentioned events, fail punctually to perform any obligation on its part to be performed under this Lease, then such failure shall be excused and not be a breach of this Lease, but only to the extent and for the time occasioned by such event.

26. HAZARDOUS AND TOXIC MATERIALS.

(a) For purposes of this Section 26, "Hazardous Substance" means any hazardous substance, pollutant, or contaminant regulated under the Comprehensive Environmental Response Compensation and Liability Act, as amended, 42 U.S.C. § 9201 et seq. ("CERCLA"); oil and petroleum products and natural gas, natural gas liquids, liquefied natural gas, and synthetic gas usable for fuel; pesticides regulated under the Federal Insecticide, Fungicide and Rodenticide Act, as amended, 7 U.S.C. § 136 et seq.

("FIFRA"), asbestos, PCBs, and other substances regulated under the Toxic Substances Control Act, as amended, 15 U.S.C. § 2601 et seq. ("TSCA"); source material, special nuclear material, by-product materials, and any other radioactive materials or radioactive wastes however produced regulated under the Atomic Energy Act, as amended, 42 U.S.C. § 2011 et seq. or the Nuclear Waste Policy Act of 1982, as amended, 42 U.S.C. § 10101 et seq.; and industrial process and pollution control wastes, whether or not hazardous within the meaning of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901 et seq. ("RCRA"). The term "release" shall mean any actual or threatened spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of Hazardous Materials into the environment, as "environment" is defined in CERCLA. The term "Environmental Law" shall mean the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Clean Water act, 33 U.S.C. § 1251 et seq., and the Water Quality Act of 1987; the Federal Insecticide, Fungicide and Rodenticide act ("FIFRA"), 7 U.S.C. § 136 et seq.; the Marine Protection, Research and Sanctuaries Act, 33 U.S.C. § 1401 et seq.; the National Environmental Policy Act, 42 U.S.C. § 4321 et seq., the Noise Control Act, 42 U.S.C. § 4901 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") 42 U.S.C., § 9601 et seq., as amended by the Superfund Amendments and Reauthorization act, the Emergency Planning and Community Right-to-Know Act, and Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act ("TSCA"), 15 U.S.C. § 2601 et seq.; the Atomic Energy Act, 42 U.S.C. § 2011 et seq., and the Nuclear Waste Policy Act of 1982, 42 U.S.C. § 2011 et seq., all as may be amended, with implementing regulations and guidelines. Environmental Laws shall also include all state, regional, county, municipal, and other local laws, regulations and ordinances insofar as they are equivalent or similar to the federal laws recited above or purport to regulate Hazardous Substance and/or materials.

(b) Lessee shall not conduct or authorize the generation, transportation, storage, treatment or disposal at the Premises of any Hazardous Substance, except as may normally be utilized in the conduct of Lessee's business, without prior written authorization by Lessor, and any such action by Lessee without such authorization by Lessor shall constitute a default under this Lease.

(c) If Lessee does generate, transport, store, treat or dispose at the Building any Hazardous Substance:

(i) Lessee shall, at its own cost, comply with all Environmental Laws;

(ii) Lessee shall promptly provide Lessor with copies of all communications, permits or agreements with any governmental authority or agency (federal, state or local) or any private entity relating in any way to the presence, release, threat of release, placement in the Premises, or the

generation, transportation, storage, treatment or disposal at the Building of any Hazardous Substance;

(iii) Lessor and Lessor's agents and the employees shall have the right to enter the Premises and/or conduct appropriate tests for the purpose of ascertaining that Lessee complies with all applicable laws, rules or permits relating in any way to the presence of Hazardous Substances in the Premises; and

(iv) Upon written request by Lessor, Lessee shall provide Lessor the results of appropriate tests to demonstrate the Lessee's compliance with all Environmental Laws, rules or permits relating in any way to the presence of Hazardous Substances in the Premises.

(d) If the presence, release, threat of release, placement on or in the Premises by Lessee, or the generation, transportation, storage, treatment, or disposal at the Premises by Lessee of any Hazardous Substance; (i) gives rise to liability (including, but not limited to, a response action, remedial action, or removal action) under any Environmental Law, (ii) causes a significant public health effect, or (iii) pollutes or threatens to pollute the environment, Lessee shall promptly take any and all remedial and removal action necessary to clean up the Building and mitigate exposure to liability arising from the Hazardous Substance, whether or not required by law.

(e) Lessee shall indemnify, defend and hold Lessor, any managing agents and leasing agents of the Building, and their respective agents, partners, officers, directors and employees harmless from all damages, costs, losses, expenses, (including, but not limited to, attorney's fees and engineering fees) arising from or attributable to any breach by Lessee of any of its warranties, representations or covenants in this Section 26. Lessee's obligations hereunder shall survive the termination of this Lease.

(f) Lessor hereby represents and warrants that, to the best of its knowledge, there is not any Hazardous Substance in the Premises.

27. NOTICES.

(a) In every instance where it shall be necessary or desirable for either party hereto to serve any notice or demand upon the other party hereto, it shall be sufficient (i) to deliver or cause to be delivered to the party on which such notice or demand is to be served a written or printed copy thereof, or (ii) to send a written or printed copy thereof by mail, postage prepaid, addressed to the party upon whom such notice or demand is to be served, in which event the notice or demand shall be deemed to have been served two (2) business day after at the date the notice or demand is postmarked, or (iii) to send the notice or demand to the intended recipient via special courier, such as Federal Express, in which case the notice or demand shall be deemed received by the intended recipient on the next business day following the date of delivery to the courier.

For purposes hereof, a business day is any Monday through Friday, excepting only U.S. national holidays.

(b) In every instance where notice or demand is served by mail or by special courier, as aforesaid, it shall be sufficient to send such notice or demand, as above provided:

To Lessor at: ALGO, L.L.C.
515 West Algonquin Road
Arlington Heights, IL 60005
Attn: Ms. Donna Kersting

with a copy to: Weil, Freiburg & Associates, P.C.
(which shall not 20 S. Clark St., Suite 2305
constitute notice) Chicago, IL 60603

and to Lessee at: Illinois Hand & Upper Extremity Center, L.L.C.
515 West Algonquin Road
Arlington Heights, IL 60005
Attn: Donna Kersting

or to such other address or addresses as either party may select upon notice to the other party as herein provided.

28. MISCELLANEOUS.

(a) No receipt of money by the Lessor from the Lessee after the termination of this Lease or after the service of any notice or after the commencement of any suit, or after final judgment for possession of the Premises shall renew, reinstate, continue or extend the Term of this Lease or affect any such notice, demand or suit.

(b) No waiver of any default of the Lessee hereunder shall be implied from any omission by the Lessor to take any action on account of such default if such default persists or be repeated, and no express waiver shall affect any default other than the default specified in the express waiver and then only for the time and the extent therein stated. The invalidity or unenforceability of any provision hereof shall not affect or impair any other provision.

(c) No person, firm or corporation, or the heirs, legal representatives, successors and assigns, respectively, thereof, executing this Lease on behalf of the Lessor as agent, trustee or in any other representative capacity shall ever be deemed or held individually liable hereunder for any reason or cause whatsoever.

(d) Provisions inserted herein or affixed hereto shall not be valid unless appearing in the duplicate original hereof held by the Lessor. In event of variation or discrepancy, the Lessor's duplicate shall control.

(e) Each provision hereof shall extend to and shall, as the case may require, bind and inure to the benefit of the Lessor and the Lessee and their respective heirs, legal representatives and successors, and assigns in the event this Lease has been assigned with the express, written consent of the Lessor as herein provided, if required hereunder.

(f) All riders, exhibits and schedules attached to this Lease and signed or initiated by the Lessor and the Lessee are hereby made a part of this Lease as though inserted at length herein.

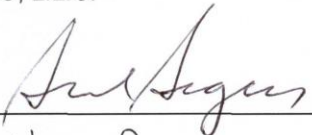
(g) All sums due hereunder and accruing prior to the expiration of the Term, whether by lapse of time or otherwise, shall be due notwithstanding such expiration.

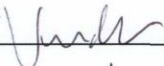
29. ATTORNEYS' FEES. In the event any suit, action or proceeding is brought by either party to establish, obtain or enforce any right under this Lease or for recovery of any amounts due hereunder or for breach of any covenant, term or condition hereof or for any matter in any way arising from the execution of this Lease, the prevailing party in such suit, action or proceeding, including an appeal to an appellate court arising therefrom, shall be entitled to recover its reasonable attorneys' fees in addition to costs and disbursements.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their duly authorized officers and/or agents as of the date first above written.

THE LESSOR:
ALGO, L.L.C.

THE LESSEE:
ILLINOIS HAND & UPPER EXTREMITY
CENTER, L.L.C.

By: 
Title: Vice President


By: 
Title: President

ATTACHMENT 3
Operating Entity/Licensee

Hand Surgery Associates, S.C. is the pre-closing minority member of Illinois Hand & Upper Extremity Center, L.L.C. ("ASC").¹ ASC is the current licensee and operator of ASC. A copy of ASC's ambulatory surgery treatment center license is attached at Attachment 3. ASC primarily serves workers' compensation cases and is therefore not required to be accredited, nor enrolled in Medicare.

Following the completion of the contemplated transaction, Trident VIII, L.P., through a newly formed entity, will be the indirect controlling owner of ASC. Additionally, ASC will continue to be the licensee and operator of ASC.

¹ No single person controls ASC.



Illinois Department of PUBLIC HEALTH HF 119571

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Ngozi O. Ezike, M.D.
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
2/15/2021		7003165

Ambulatory Surgery Treatment Center

Effective: 02/16/2020

Illinois Hand & Upper Extremity Center
515 West Algonquin Road
Arlington Heights, IL 60005

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 2/15/2021

Lic Number 7003165

Date Printed 12/26/2019

Illinois Hand & Upper Extremity Center

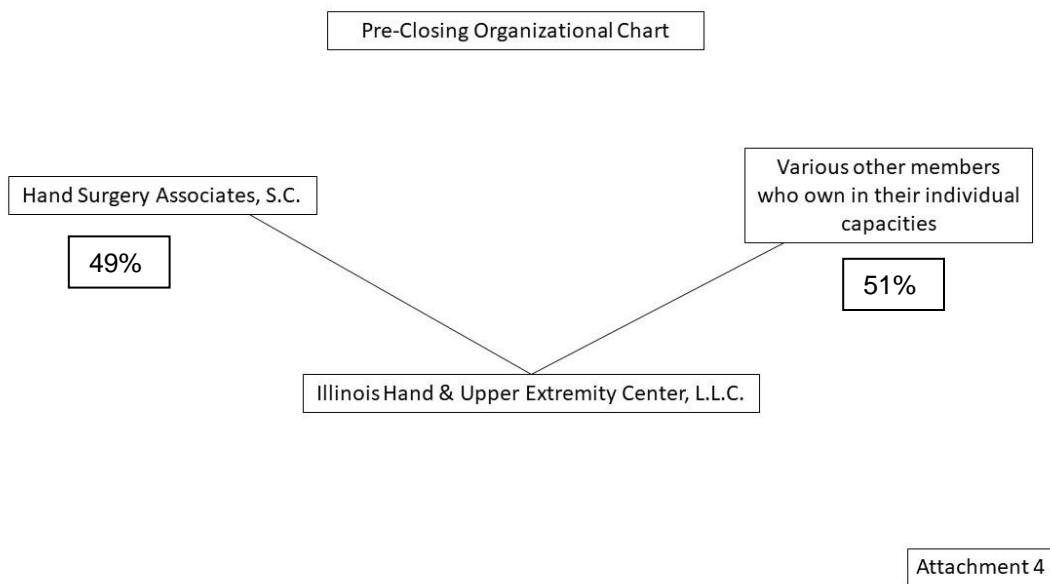
515 West Algonquin Road
Arlington Heights, IL 60005-4439

FEE RECEIPT NO.

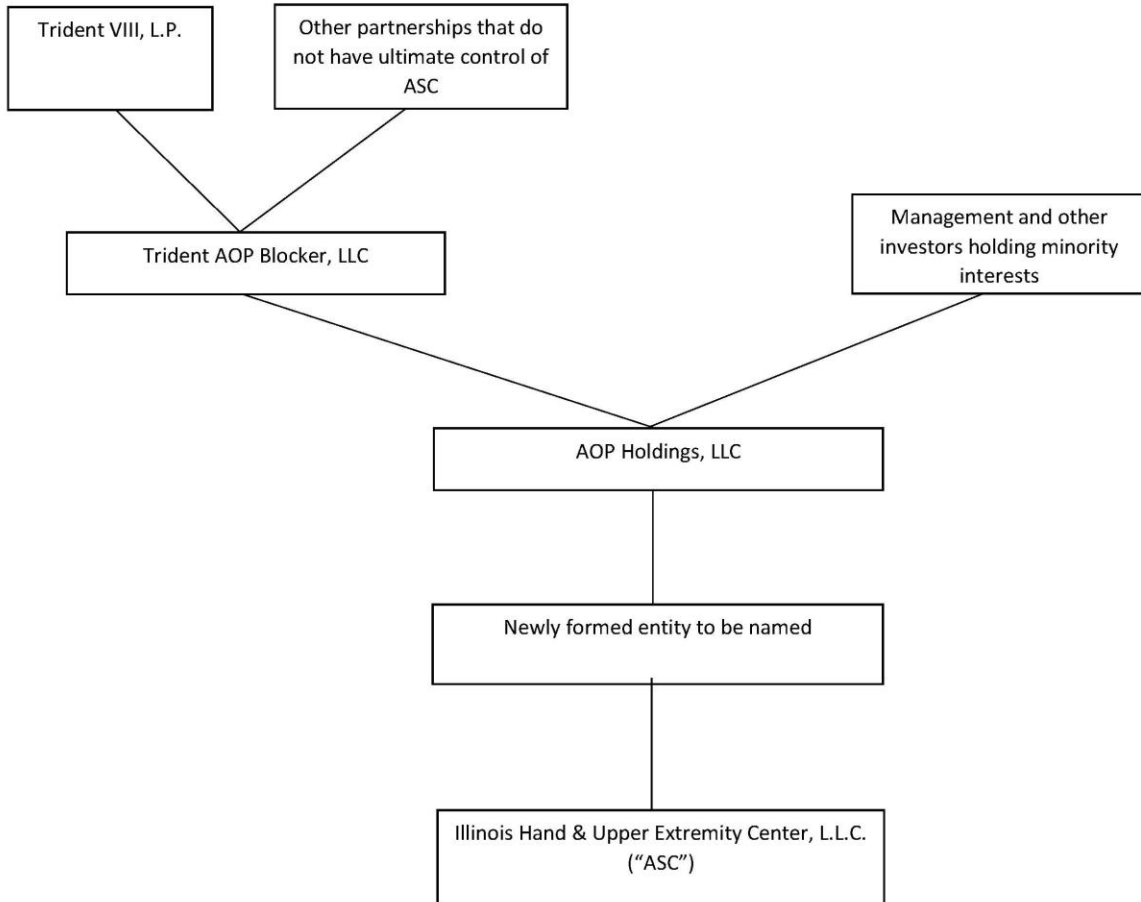
Attachment 3

ATTACHMENT 4
Organizational Relationships

The pre-closing and post-closing organizational charts for ASC are attached hereto at Attachment 4.



Post-Closing Organizational Chart



Attachment 4

75524427.3

SECTION II. BACKGROUND.**BACKGROUND OF APPLICANT**

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application. Please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
5. If, during a given calendar year, an applicant submits more than one Application, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 5.

Attachment 5
Background of Applicants

A. Illinois Hand & Upper Extremity Center, L.L.C. ("ASC")

1 & 2. A listing of all health care facilities owned or operated in Illinois by ASC.

There is no person that controls ASC. The pre-closing minority member of ASC is Hand Surgery Associates, S.C., a medical group practice located in Arlington Heights, Illinois. ASC does not own and/or operate any other Illinois health care facilities (as that term is defined under the Illinois Health Facilities Planning Act, 20 ILCS 3960 et seq. (the "Act")).

A copy of ASC's ambulatory surgery treatment center license is attached at Attachment 3. ASC primarily serves workers' compensation cases and is therefore not required to be accredited, nor enrolled in Medicare.

3. Attestation.

In signing this Certificate of Exemption ("COE") application, ASC attests that, in the last three years prior to filing of this COE application, there has been no "adverse action" (as that term is defined in 77 IAC 1130.140) against any Illinois facility owned and/or operated by ASC. A copy of ASC's attestation statement relating to its good standing is attached at Attachment 5.

4. Authorization.

The Illinois Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") are hereby authorized by ASC to access any documents necessary to verify the information submitted with this COE application pertaining to ASC, including, but not limited to: official records of IDPH or other state agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.

B. Trident VIII, L.P. ("Trident")

1 & 2. A listing of all health care facilities owned or operated in Illinois by Trident.

The post-closing indirect controlling owner of ASC will be Trident. Trident does not own and/or operate any other Illinois health care facilities (as that term is defined under the Illinois Health Facilities Planning Act, 20 ILCS 3960 et seq. (the "Act")).

3. Attestation.

Trident attests that in the last three years prior to filing of this COE application, there has been no "adverse action" (as that term is defined in 77 IAC 1130.140) against any Illinois

health care facility owned and operated by Trident and subject to HFSRB jurisdiction. A copy of Trident's attestation statement relating to its good standing is attached at Attachment 5.

4. Authorization.

HFSRB and IDPH are hereby authorized by Trident to access any documents necessary to verify the information submitted with this COE application relating to Trident, including, but not limited to: official records of IDPH or other state agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation.

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 09/2019 Edition

Illinois Hand & Upper Extremity Center, L.L.C.

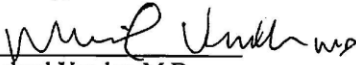
Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

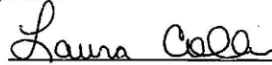
On behalf of Illinois Hand & Upper Extremity Center, L.L.C. ("ASC"), I certify to the Illinois Health Facilities and Services Review Board (the "HFSRB") as follows:

1. ASC has not had any adverse action (as that term is defined in 77 IAC 1130.140) against any Illinois health care facility owned and operated by it during the three-year period immediately prior to the filing of this Certificate of Exemption ("COE") application relating to the change of control of ASC, located at 515 West Algonquin Road, Arlington Heights, Illinois 60005.
2. ASC authorizes the HFSRB and Illinois Department of Public Health (the "IDPH") to access information to verify documentation or information submitted by ASC in connection with the COE filing requirements or to obtain any documentation or information which the HFSRB or IDPH finds pertinent to the COE application mentioned above.

Sincerely,


 Michael Vender, M.D.
 Sole Manager and Medical Director

Notarized: State of Illinois, County of Cook
Subscribed and sworn before me this 12 day of
~~NOVEMBER~~ 2020.


 Notary
 My commission expires: 2-11-2021



Attachment 5

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
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ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 09/2019 Edition

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Trident VIII, L.P.

in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

STONE POINT CAPITAL LLC, its manager

By: *Peter Mundheim*
SIGNATURE

SIGNATURE

Peter Mundheim
PRINTED NAME

PRINTED NAME

Principal and Counsel
PRINTED TITLE

PRINTED TITLE

Subscribed and sworn to before me, while I was in Westchester County and the witness was in Westchester County, this 18th day of November, 2020

Notarization:
Subscribed and sworn to before me this ____ day of _____

Gina Von Eiff
Signature of Notary

Signature of Notary

Seal

Seal

*Insert the EXACT legal name of the applicant

GINA VON EIFF
Notary Public, State of New York
No. 01V04620171
Qualified in Westchester County
Certificate Filed in New York County
Commission Expires _____

2/28/22

Attachment 5

SECTION III. CHANGE OF OWNERSHIP (CHOW)**Transaction Type. Check the Following that Applies to the Transaction:**

- Purchase resulting in the issuance of a license to an entity different from current licensee.
- Lease resulting in the issuance of a license to an entity different from current licensee.
- Stock transfer resulting in the issuance of a license to a different entity from current licensee.
- Stock transfer resulting in no change from current licensee.
- Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee.
- Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee.
- Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity.
- Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets.
- Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility.
- Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee.
- Change of ownership among related persons resulting in a license being issued to an entity different from the current licensee
- Change of ownership among related persons that does not result in a license being issued to an entity different from the current licensee.
- Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets and explain in "Narrative Description."

1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

1. Prior to acquiring or entering into a contract to acquire an existing health care facility, a person shall submit an application for exemption to HFSRB, submit the required application-processing fee (see Section 1130.230) and receive approval from HFSRB.
2. If the transaction is not completed according to the key terms submitted in the exemption application, a new application is required.
3. READ the applicable review criteria outlined below and **submit the required documentation (key terms) for the criteria:**

APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(1)(A) - Names of the parties	X
1130.520(b)(1)(B) - Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.	X
1130.520(b)(1)(C) - Structure of the transaction	X
1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction	
1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.	X
1130.520(b)(1)(F) - Fair market value of assets to be transferred.	X
1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]	X
1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section	N/a
1130.520(b)(3) - If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction	N/a

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1130.520(b)(4) - A statement as to the anticipated benefits of the proposed changes in ownership to the community	X
1130.520(b)(5) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;	X
1130.520(b)(6) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;	X
1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body;	X
1130.520(b)(9)- A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.	X

APPEND DOCUMENTATION AS ATTACHMENT 6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ATTACHMENT 6**1130.520. Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility****Names of Parties, Post-Closing Licensee and Structure of the Transaction - (1130.520 (b)(1)(A), (b)(1)(B) and (b)(1)(C))**

Pursuant to a Membership Interest Purchase Agreement, Trident VIII, L.P. ("Trident"), through a newly formed entity, shall acquire 100% of the issued and outstanding membership interests in Illinois Hand & Upper Extremity Center, L.L.C. ("ASC"), a licensed ambulatory surgical treatment center specializing in orthopedic surgical services and located at 515 West Algonquin Road, Arlington Heights, Illinois 60005 (the "Planned Transaction"). In connection with the Planned Transaction, there will be no change in the entity that is the operator and licensee of ASC.

As part of the Planned Transaction, ASC will maintain its license and its name will not change.

List of Membership Interests -1130.520(b)(1)(E)

No single person currently controls ASC. Hand Surgery Associates, S.C. owns 49% interest in ASC and the following physicians each owns 8.5% interest in ASC: Sam Biafora, M.D., Michael Vender, M.D., Scott Sagerman, M.D., Prasant Atluri, M.D., Ajay Balaram, M.D., and Michael V. Birman, M.D. After the closing of the Planned Transaction, Trident will be the indirect controlling owner of ASC. An organizational chart showing the post-closing structure is attached at Attachment 4.

Fair Market Value of Assets -1130.520(b)(1)(F)

The maximum fair market value of ASC is \$17,000,000,² which is consistent with the ASC purchase price.

Purchase Price -1130.520(b)(1)(G)

The maximum purchase price of ASC is \$17,000,000, a portion of which will be paid in cash and a portion of which will be paid in equity of an indirect post-closing owner of ASC.³

Affirmation regarding Outstanding CON Permits -1130.520(b)(2)

² The fair market value of ASC is subject to completion of legal and financial due diligence (including quality of earnings).

³ The purchase price for ASC is subject to completion of legal and financial due diligence (including quality of earnings). The purchase price is subject to usual and customary closing adjustments including a working capital adjustment for any deviation from the target working capital figure.

ASC has no outstanding Certificate of Need permits or Certificate of Exemption approvals.

Potential Benefits and Cost Savings of the Planned Transaction -1130.520(b)(4) and (b)(5)

Potential Benefits

The Planned Transaction will result in improvements to non-clinical management, administrative and support functions, including with respect to:

- Operational issues;
- Coding, billing and collection services;
- Contract management;
- Financial consulting;
- Human resources and personnel management;
- Staff education and training;
- Provision of information technology (“IT”), electronic health record (“EHR”), and data analytics platforms;
- Provision of medical equipment and supplies;
- Credentialing;
- Regulatory compliance oversight and management; and
- Risk management.

Such improvements will be undertaken with the goal of enhancing operational efficiency, clinical quality, outcomes and performance.

Potential Cost Saving

The Planned Transaction will allow aggregation of volume and economies of scale that will likely permit ASC to obtain preferred pricing on equipment, supplies and services, including significantly discounted IT, EHR, and data analytics platforms. Further, the Planned Transaction will present opportunities to improve operational efficiencies and healthcare delivery, which may result in potential cost savings and favorable financial viability for ASC.

Quality Improvement Program to be Utilized at ASC – 1130.520(b)(6)

The Planned Transaction will result in improvements to non-clinical management, administrative and support functions, with the goal of enhancing operational efficiency, clinical quality, outcomes and performance. The Planned Transaction will result in the implementation of an enhanced quality assurance performance improvement program intended to improve ASC’s operations through comprehensive analysis of performance data, which will assist ASC in making evidence-based decisions, allocating resources more effectively, and engaging in targeted corrective actions.

Governing Body Composition/Selection Process -1130.520(b)(7)

Upon consummation of the Planned Transaction, Trident will indirectly control the appointment of the officers and/or managers of ASC.

Scope of Services – 1130.520(b)(9)

Trident does not anticipate adding any subspecialty to be provided at ASC within 24 months following the closing of the Planned Transaction with Trident unless ASC applies for and obtains approval from the HFSRB to make any adjustments necessary to best address the health care needs of the community served by ASC.

SECTION IV.CHARITY CARE INFORMATION

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer (20 ILCS 3960/3). Charity Care must be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 7.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ATTACHMENT 7
Charity Care Information

1. Illinois Hand & Upper Extremity Center, L.L.C. – N/A.
2. Trident VIII, L.P. – N/A.

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	9-11
2	Site Ownership	12-32
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	33-34
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	35-37
5	Background of the Applicant	39-42
6	Change of Ownership	46-48
7	Charity Care Information	50



150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606 • (312) 819-1900

November 18, 2020

Kara M. Friedman
(312) 873-3639
(312) 602-3917 Direct Fax
kfriedman@polsinelli.com

Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: COE Application for Illinois Hand & Upper Extremity Center, L.L.C.

To Whom It May Concern:

Please find attached a Change of Ownership Exemption Application for the change of ownership of Illinois Hand & Upper Extremity Center, L.L.C (“ASC”). Pursuant to the transaction, Trident VIII, L.P. (“Trident”) will acquire 100% of the issued and outstanding membership interests in ASC. There will be no change in the entity that is the operator and licensee of ASC.

Please contact me if you require anything further to deem this application complete.

Sincerely,

A handwritten signature in cursive script that reads "Kara Friedman".

Kara M. Friedman